PERCEPTIONAL TYPES ON THE COMMUNITY CURRENCY SCHEME IN KOREA

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- Aims of the study

- Overview of community currencies

- Research Method

- Results

- Implications

AIMS OF THE STUDY

- Background
  - Both social assistance and social insurance programs are primary tools to solve social risks incurred by market economy in advanced welfare states
    - Social insurance covers regular workers
    - Social assistance covers people with low income

  - Entitlements in both programs are closely related to the working status in the labor market
  - Based on the "logic of productivism and "consumption" of capitalism

AIMS OF THE STUDY

- Limitations
  - Not suitable in a post-industrial society, because of increases of irregular workers and people with various needs such as care services for children and the elderly as well as income

  - Stir up consumptions rather than the frugality and the spirit of self-help in a community

  - Exclude voice of the people in the process and practice of social welfare policies

AIMS OF THE STUDY

- Community Currency as an alternative
  - Way to protect the unemployed by promoting the economy of local communities
  - Way to revitalize human relationships and to provide non-market services

- Increases of interests on Community Currency since the early 1980s
- In Korea, however, community currency still remain a very nascent institution and academically under-researched

RESEARCH QUESTION

- What are the history and current situations of community currencies in Korea?

- How do the key players perceive the aims and objectives of community currencies in Korea?

- What are the characteristic of each type?

COMMUNITY CURRENCIES IN KOREA

- History
  - In 1996, conceptual introduction by <Green Review>, a monthly journal presenting ecological articles
  - In 1998, the first community currency, 'Future Money', was established
  - Within 2 years, more than 30 groups began to implement community currencies

COMMUNITY CURRENCIES IN KOREA

- Among them, only Hanbat LETS and Gwachen Poomasi is sustaining over the years.
  - 600 and 150 active members
  - Yearly exchange amount - $90,000 and $70,000

- Others became inactive for the following reasons
  - Not fully committed. Just one of the programs of NGOs
  - Lack of preparation
  - Lack of government supports and Network between groups

COMMUNITY CURRENCIES IN KOREA

- After the financial crisis in 2009, community currencies started gaining interest once again from NGOs and governments as well.

- In 2012, Seoul Welfare Foundation launched a new community currency program, e-Poomasi, in 25 districts.

- Establishment of the National Community Currency Network

- Now 43 groups are active

RESEARCH METHOD : Q-METHODOLOGY

- Useful to study people's subjective view
- Combines qualitative and quantitative analysis

- Define the Q-population
  - Collecting 200 Q-statements
    - Existing materials : newspaper, articles, books, media etc.
    - Structured interviews with coordinators and experts
    - Survey on the member of the Korean Community Currency Network

- Selecting 30 Q-sample statements
  - North's 6 typology of motivation for developing community currencies
    - Value free approach
    - Focus on economic development
    - Organizational development
    - Focus on Social Exclusion
    - Environmental focus
    - Social Movement approaches

RESEARCH METHOD : Q-METHODOLOGY

⊙ Reliability test : r=0.78

⊙ P-sample
  ▪ Snowball sampling
  ▪ 29 coordinators in 22 community currency groups

⊙ Q-sorting

⊙ PQMETHOD
  ▪ Principle component factor anaysis
  ▪ Varimax rotation

RESULTS

- After factoring, 4 types are emerged, which account for 62% of the total variance

- All 4 types strongly disagree with statement 1 "The use of community currency by big companies can help spread the institution"
  - Suggesting that the coordinates are skeptical of incorporating big companies

- All 4 types also have 'lightly agreeing' or 'neutral' views on statement 9 "Community currencies can develop local products and services"
  - Implying that the community currencies have a limited role in providing qualified goods and services in the capitalistic system

TYPE 1 – "NEIGHBORHOOD COMMUNITY TYPE"

- This type occupies 21% of total variance
- Goal is to restore the traditional local community spirit
- Coordinators are strongly against using community currency with an anti-capitalistic ideological background
- They strongly agree with 'value free approach'
- They focus on to revive the community to a friendly place and on empowerment of the residents

TYPE 2 – "ALTERNATIVE COMMUNITY TYPE"

- This type occupies 17% of total variance
- Goal is to restore the local community spirit, interaction with neighbors and individual empowerment
- Coordinators take community currency as a 'social movement approach'
- They strongly disagree with 'value free approach'
- They have a critical view against capitalism and regard community currency as a tool for achieving alternative lifestyle

TYPE 3 – "LIVING COMMUNITY TYPE"

- This type occupies 13% of total variance
- Goal is to restore the local community spirit and to support eco-friendly lifestyles
- Coordinators take community currency as a 'social movement approach'
- They strongly disagree with 'social movement approach' vs. type 2
- They believe that the community currency can promote eco-friendly life styles vs. type 1

TYPE 4 – "ECOLOGICAL COMMUNITY TYPE"

- This type accounts for 11% of total variance
- Goal is to help individuals with similar ideological background against capitalism
- Coordinators aim to build a small local community in a specific geographical area
- They strongly agree with that community currency is a tool to build an alternative ecological society against capitalism
- They strongly disagree with a 'value free or neutral approach'

COMPARISON AMONG TYPES

	Neighborhood Comm.	Alternative community	Living Community	Ecological Community
Year	2–10+ yr. 7–3- yr.	1–12 yr. 2–1- yr.	4– 5- yr.	1–10+ yr. 3–3- yr.
Types of currency	2-time dol. 7– LETS	1-time dol. 4– LETS	4– LETS	4– LETS
Geographical Area	7–city/couty. 2–institution	5-city/couty.	4-city/couty.	4-city/couty.
(-) limit	4 – limit 3 – No limit	2 – limit 3 – No limit	4 – No limit	3 – limit 1 – No limit
Agents	5-governmt. 3-welf. cen. 1-grassroot	2- NGO 3-grassroot	3- NGO 1-grassroot	1- NGO 3-grassroot

IMPLICATIONS

- Groups by government and welfare centers belong to "type 1", preferring "value free approach"

- Groups by welfare centers are more active than other groups, because they have full-time staffs, meeting places and clients

- Groups by NGO are relatively inactive, because community currency is just one of their programs

- Groups by grassroots are relatively active and ideologically antagonistic to capitalism